

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION**

IN RE: HLH TIMBER COMPANY LLC XX-XXX6820 154 FM 139, Joaquin, TX 75954 Debtor	§ § § § §	Case No. 21-90155 Chapter 11 – Subch. V
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**DEBTOR’S OBJECTION TO MOTION TO CONVERT SUBCHAPTER V CHAPTER 11
BANKRUPTCY PROCEEDING TO A CHAPTER 7 BANKRUPTCY CASE**

COMES NOW, HLH Timber Company, LLC, the Debtor (“Debtor”) in the above-referenced case, and filed this Objection to the Motion to Convert Subchapter V Chapter 11 Bankruptcy Proceeding to a Chapter 7 Bankruptcy Case (Docket No. 63) filed by Business First Bank (“B1 Bank”), and in support thereof, would show as follows:

Introduction

1. The Debtor does not dispute that B1 Bank has a claim for \$1,573,024.04 based on the executed promissory note dated October 7, 2019 and the Business Loan Agreement dated October 7, 2019.
2. B1 Bank’s Motion to Convert is based largely on alleged discrepancies between the schedules in this case filed on August 27, 2021 and a July 1, 2019 balance sheet received by B1 Bank and on concerns regarding the valuation of Debtor’s assets.
3. The Court has set a status conference in this matter for December 15, 2021.
4. Without waiving any rights, Debtor represents to the Court:
 - a. Debtor is in discussions with B1 Bank to attempt to find an amicable resolution to the concerns of B1 Bank.
 - b. Debtor does not oppose an expected motion from B1 Bank to request that the Court add the process of adjudication of B1 Bank’s motion to convert to the agenda for

the aforementioned status conference, including the date for any hearing on the same.

- c. Debtor intends to modify or amend its schedules and plan to address some of the concerns of B1 Bank and is conducting further investigation in connection with those intentions.
 - d. Debtor intends to work with B1 Bank to provide information related to B1 Bank's concerns, including, but not limited to, access to relevant collateral for an appraisal of the same.
5. Once Debtor amends its schedules and modifies the existing plan, the complexion of this case will change and many of the concerns raised in B1 Bank's Motion will be addressed.
6. Debtor anticipates discussing these issues in greater detail at the December 15, 2021 status conference.

Objection

7. Debtor generally objects to B1 Bank's Motion to Convert.
8. Contemporaneously with the other signed documents, Debtor's representative, Heith Harper, executed the Declaration Under Penalty of Perjury for Non-Individual Debtors and maintains that all assets and liabilities listed on the petition and schedules as filed are accurate. The Declaration Under Penalty of Perjury was not uploaded with the schedules but has now been filed.
9. Debtor denies that it failed to timely file schedules.
10. Debtor denies the allegations that significant discrepancies exist between the 2019 Balance Sheet and the filed schedules or that any such discrepancies are grounds to convert this case.

11. Debtor denies any misrepresentation to this Court.
12. Debtor denies the unauthorized use of assets.
13. Debtor denies that either the 2019 Balance Sheet and/or the Purported Schedules are false.
14. Debtor further notes that the July 1, 2019 Balance Sheet was prepared more that two years before the petition date of August 20, 2021.
15. Debtor denies that the “significant discrepancies” between the 2019 Balance Sheet and the Purported schedules provide cause to convert this case.

Prayer

FOR THESE REASONS, Debtor requests that the Court deny the Motion.

Respectfully submitted,

THE LANE LAW FIRM, PLLC
/s/Robert C. Lane
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COUNSEL FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Response was served to the parties listed below and on the attached mailing matrix either via electronic notice by the court's ECF noticing system or by first-class mail on December 7, 2021:

Debtor:

HLH Timber Company LLC
154 FM 139
Joaquin, TX 75954

US Trustee:

U.S. Trustee
110 N. College Ave., Suite 300
Tyler, TX 75702

Movant:

B1 Bank
C/O Patrick L. McCune
Wiener, Weiss & Madison
A Professional Corporation
445 Louisiana Avenue
Baton Rouge, LA 70802
pmccune@wwmlaw.com

Notice will be electronically mailed to:

John P. Dillman on behalf of Creditor Shelby County
houston_bankruptcy@publicans.com

James W. King on behalf of Creditor Shelby Savings Bank
jking@offerbanking.com

Robert C. Lane on behalf of Debtor HLH Timber Company LLC
chip.lane@lanelaw.com, thelanelawfirm@jubileebk.net; notifications@lanelaw.com

John Mayer on behalf of Creditor Caterpillar Financial Services Corporation
jmayer@rossbanks.com

Patrick L. McCune on behalf of Creditor b1BANK
pmccune@wwmlaw.com

R. Joseph Naus on behalf of Creditor b1BANK
rjnaus@wwmlaw.com, gbrown@wwmlaw.com

Mel W. Shelander on behalf of Creditor American State Bank
mws@shelanderlaw.com, valt@shelanderlaw.com

John M. Vardeman on behalf of U.S. Trustee US Trustee
john.m.vardeman@usdoj.gov

Mark A WEISBART (SBRA V)
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Kimberly A. Walsh on behalf of Creditor Texas Comptroller of Public Accounts, Revenue
Accounting Division and Texas Workforce Commission
bk-kwalsh@oag.texas.gov, sherri.simpson@oag.texas.gov

/s/Robert C. Lane
Robert C. Lane

Label Matrix for local noticing

0540-9

Case 21-90155

Eastern District of Texas

Lufkin

Tue Dec 7 18:56:05 CST 2021

HLH Timber Company LLC

154 FM 139

Joaquin, TX 75954-5604

TD Auto Finance LLC

c/o Wilcox Law, PLLC

Attn: Stephen Wilcox

PO Box 201849

Arlington, TX 76006-1849

Texas Workforce Commission

Regulatory Integrity Division - SAU

101 E 15th Street Room 556

Austin, TX 78778-0001

American Express Business (20)

ATTN: Legal Department

P.O. Box 981535

El Paso, TX 79998-1535

American State Bank f/k/a Texas State Bank

1601 South Chestnut Street

Lufkin, Texas 75901-5705

(p)JPMORGAN CHASE BANK N A

BANKRUPTCY MAIL INTAKE TEAM

700 KANSAS LANE FLOOR 01

MONROE LA 71203-4774

HUBERT GLASS OIL CO.

C/O Willis Jarrel, Jr., P.C.

509 W DOBBS ST

TYLER, TX 75701-1536

JPMorgan Chase Bank, N.A.

s/b/m/t Chase Bank USA, N.A.

c/o Robertson, Anschutz & Schneid, P.L.

6409 Congress Avenue, Suite 100

Boca Raton, FL 33487-2853

KNIGHTEN MACHINE AND SERVICE INC.

3800 E 42ND STREET SUITE 333

ODESSA, TX 79762-5927

American State Bank

1601 South Chestnut Street

Lufkin, TX 75901-5705

Shelby County

Linebarger Goggan Blair & Sampson LLP

c/o John P. Dillman

P.O. Box 3064

Houston, TX 77253-3064

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Bankruptcy - Collections Division MC-008

PO Box 12548

Austin, TX 78711-2548

b1BANK

11307 Coursey Blvd.

Attn: James Rasbery

Baton Rouge, LA 70816-4031

American Express National Bank

c/o Becket and Lee LLP

PO Box 3001

Malvern PA 19355-0701

CORKERN, CREWS, GUILLET & JOHNSON, LLC

ATTN: LISA JOHNSON

616 FRONT ST PO BOX 1036

NATCHITOCHES, LA 71458-1036

Comptroller of Public Accounts

C/O Office of the Attorney General

Bankruptcy - Collections Division MC-008

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Heith L Harper

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Joaquin, TX 75954-3860

John Deere Financial

c/o Weltman, Weinberg & Reis Co., LPA

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Cleveland, OH 44131-1829

Kubota Credit Corporation, U.S.A (20)

4400 Amon Carter Blvd

Fort Worth, TX 76155

Caterpillar Financial Services Corporation

2120 West End Avenue

Nashville, TN 37203-5341

Shelby Savings Bank

c/o James W. King

6420 Wellington Place

Beaumont, TX 77706-3206

Texas Comptroller of Public Accounts, Revenue

Kimberly A. Walsh

c/o Sherri Simpson, Paralegal

PO Box 12548

Austin, TX 78711-2548

Beaumont - U. S. Bankruptcy Court

300 Willow

Suite 112

Beaumont, TX 77701-2249

American State Bank (20)

PO Box 2137

Center, TX 75935-2137

Center Tire (20)

880 Hurst St

Center, TX 75935-3417

HACCAR INVESTMENTS, LLC

154 FM 139

JOAQUIN, TX 75954-5604

Hubert Oil (20)

36036 US Hwy 69

Jacksonville, TX 75766-0267

(p)DEERE CREDIT SERVICES INC

ATTN LITIGATION & RECOVERY DEPARTMENT

PO BOX 6600

JOHNSTON IA 50131-6600

Lott Oil Company, Inc.

PO Box 17

Natchitoches LA 71458-0017

Lottoil (20)	NAPA Logansport (20)	Shelby County
PO Box 17	801 E Market St	c/o John P. Dillman
Natchitoches, LA 71458-0017	Logansport, IN 46947-3556	Linebarger Goggan Blair & Sampson LLP
		P.O. Box 3064
		Houston, TX 77253-3064

Shelby Savings Bank	Shelby Savings Bank, SSB	TD Auto Finance LLC
P.O. Box 1806	111 Selma Street	P.O. Box 551080
Center, TX 75935-1806	Center, TX 75935-3925	Jacksonville, FL 32255-1080

TD Auto Finance LLC	Texas Workforce Commission	Texas Workforce Commission
c/o Wilcox Law, PLLC	PO Box 12548, MC-008	Regulatory Integrity Division - SAU
P.O. Box 201849	Austin TX 78711-2548	Room 556
Arlington, TX 76006-1849		101 E. 15th Street
		Austin, TX 78778-0001

The Lane Law Firm	Tuledo Automotive (20)	U.S. Small Business Administration
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Houston, TX 77036-3369	Center, TX 75935-3417	Santa Ana, CA 92701-7534

U.S. Small Business Administration (20)	US Trustee	Willis Jarrel P.C.
10737 Gateway West #300	Office of the U.S. Trustee	509 W Dobby Street
El Paso, TX 79935-4910	110 N. College Ave.	Tyler, TX 75701-1536
	Suite 300	
	Tyler, TX 75702-7231	

b1BANK	b1BANK (20)	Mark A WEISBART (SBRA V)
c/o R. Joseph Naus	Heath Banking Center	12770 Coit Road
Wiener, Weiss & Madison, APC	1629 Smirl Drive 102	Suite 541
P. O. Box 21990	Heath, TX 75032-7624	Dallas, TX 75251-1366
Shreveport, LA 71120-1990		

Robert C. Lane
The Lane Law Firm, P.L.L.C.
6200 Savoy Drive
Suite 1150
Houston, TX 77036-3369

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Chase Bank (20)	John Deere Financing (20)
270 Park Avenue	6400 NW 86th Street Po Box 6600
New York, NY 10017	Johnston, IA 50131-6600

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)Caterpillar Financial Services Corp.

(d)Caterpillar Financial Services Corporation

(d)HLH Timber Company LLC

2120 West End Avenue

2120 West End Avenue

154 FM 139

Nashville, TN 37203-5341

Nashville, TN 37203-5341

Joaquin, TX 75954-5604

End of Label Matrix

Mailable recipients 48

Bypassed recipients 3

Total 51